



## Irish Life Weekly Investment Bulletin

The week that was – WEEK 46 (ending 11/11/2016)

**“It’s what you learn after you know it all that counts.” – John Wooden**

**Irish household debt falls to 150.4% of disposable income** – The Quarterly Financial Accounts for 2<sup>nd</sup> Quarter published by the Central Bank show household debt has reduced to 150.4% of disposable income - nearly 205% in Q2 2008 - mainly due to a rise in disposable income rather than a fall in household debt.

**Trump aide says new President will cut U.S. corporation tax very soon** – Donald Trump’s senior economic adviser, Stephen Moore said Trump intends to reduce corporation tax to 15% within his first 100 to 150 days in office as it is a top priority but this would have to go through Congress whose plan is for 20%.

**Dow Jones hits record high after Trump election** – The Dow Jones industrial average ended at a record closing high on Friday, its best week in 5 years after Donald Trump’s unexpected victory in the presidential election. For the week, the Dow rose 5.4% percent, the best gain since 2011 with the Nasdaq up 10%.

**Global stock market up 2.5% on the week** – The World stock market (MSCI AC World) had a 2.49% return from 4<sup>th</sup> November to 11<sup>th</sup> November as most markets responding positively to the prospect of U.S. fiscal stimulus following Trump’s election. 10-year U.S. Treasury yields jumped to 2.14% from 1.82% over the week.

**OPEC reduces oil price forecast** – The Organization of the Petroleum Exporting Countries (OPEC) warned in its latest World Oil Outlook report that oil prices might not rise above \$60 per barrel until the end of the decade - \$20 per barrel below its decade-end forecast from a year ago - because of the “resilience of supply”.

**China’s trade data in October disappoints** – China’s exports and imports fell more than expected in October according to the latest report from the General Administration of Customs, with exports falling 7.3% while imports fell 1.4%. This adds to some doubts that reported pick-up in economic activity can be sustained.

**The Story of the week:** Celebrated chef Anthony Bourdain revealed the five popular dishes you should *never* order in a restaurant – (1) *Fish on a Monday*: because the majority of restaurants put in their order for fish on Thursdays; (2) *Eggs Benedict*: Hollandaise sauce is tricky to store at correct temperature; (3) *Going ‘off menu’*: Running the risk of angering both front of house and kitchen staff; (4) *Well-done meat*: Some chefs will keep tougher cuts of meat to one side for these customers and (5) *Wagyu beef burger*: Any Wagyu beef burger you see advertised may need to be taken with a metaphorical pinch of salt.

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# Index Performances and Market Data\*

<b>Equity Markets % (in Local Currency)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD (to 11/11)</b>
ISEQ Overall Return	2.6	20.5	35.8	16.8	33.6	-7.2
FTSE 100 TR	-2.2	10.0	18.7	0.7	-1.3	12.1
Euro Stoxx 50 TR	-14.1	18.1	21.5	4.0	6.4	-4.7
S&P 500 TR	2.1	16.0	32.4	13.7	1.4	7.9
Nasdaq Composite	-1.8	15.9	38.3	13.4	5.7	4.6
Nikkei 225	-17.3	22.9	56.7	7.1	9.1	-8.7
MSCI Emerging Markets	-14.9	13.9	0.9	2.6	-8.0	5.6
MSCI AC World	-8.5	13.2	22.9	7.2	-0.7	2.3
<b>Sovereign 10yr Bond Yields (%)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD</b>
U.S.	1.9	1.7	3.0	2.2	2.2	2.1
German	1.8	1.4	1.9	0.5	0.6	0.4
UK	2.0	1.9	3.0	1.9	1.9	1.4
Japan	1.0	0.7	0.7	0.3	0.2	0.0
Ireland	8.4	4.5	3.4	1.3	1.1	1.0
Italy	7.1	4.6	4.1	2.1	1.6	2.2
Greece	31.7	12.7	8.2	9.6	7.9	7.2
Portugal	13.4	6.9	6.1	2.7	2.5	3.6
Spain	5.1	5.4	4.1	1.6	1.7	1.6
<b>Central Bank Rates (%)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD</b>
ECB	1	0.75	0.25	0.05	0.05	0.0
Bank of England	0.5	0.5	0.25	0.50	0.50	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.50
<b>Foreign Exchange Rates</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 YTD</b>
Euro/Dollar (€/€)	1.30	1.31	1.37	1.21	1.09	1.08
Euro/Sterling (€/£)	0.83	0.81	0.83	0.78	0.75	0.86
Sterling/Dollar (£/\$)	1.55	1.61	1.65	1.56	1.46	1.26
<b>IPD All Property Return (%)</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Ireland	-2.4	3.1	12.7	40.1	25.0	8.5 (to end of Q3)
U.K.	8.1	2.7	10.7	17.8	13.1	1.3 (to end of Q3)
U.S.	14.5	5.3	11.4	11.2	12.1	4.1 (to end of Q2)

\*Past performance is not a reliable guide to future performance